



Department of Justice

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TEXAS EXECUTIVES INDICTED FOR FIXING PRICES ON AUTOMOTIVE REPLACEMENT GLASS

WASHINGTON, DC. -- A federal grand jury in Lubbock, Texas today indicted two former owners and officers of Fort Worth-based Windshield Sales and Services Inc., which does business as Auto Glass Center, for participating in conspiracies to raise and maintain the prices of automotive replacement glass in the central North and Lubbock areas of Texas, the Department of Justice announced.

Count one of the two-count indictment, filed in U.S. District Court in Lubbock, charges James D. Kuhn and Eldon Flynn Simmons with conspiring with competitors to raise and maintain the prices for the sale and installation of automotive replacement glass in the central North Texas area from January 1998 to May 1998. Count two charges them with conspiring with competitors to raise and maintain the prices of automotive replacement glass in the Lubbock, Texas area from March 1998 to May 1998.

Automotive replacement glass is sold to retail customers for the replacement of windshields, side glass, back glass, and other types of automotive glass in pick-up trucks, passenger vehicles, and other vehicles.

"This case reflects the Antitrust Division's commitment to prosecute those who seek to deny customers the benefits of competition," said Charles A. James, Assistant Attorney General in charge of the Antitrust Division.

The indictment charges that Kuhn and Simmons discussed, agreed to and established a discount floor for automotive replacement glass and monitored and enforced a compliance agreement to refrain from soliciting certain of each other's customers by offering lower prices for automotive replacement glass sold to customers in the central North Texas area.

The indictment also charges that Kuhn and Simmons discussed and agreed to increase installation labor rates on automotive replacement glass, agreed to and set prices for certain high sales volume windshields, and agreed to and established the discount floor for other windshields sold to customers in Lubbock, Texas.

Kuhn and Simmons are charged with violating Section One of the Sherman Act, which carries a maximum penalty per count for individuals of three years imprisonment and a \$350,000 fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today's case resulted from an ongoing investigation being conducted by the Antitrust Division's Dallas Field Office and the Dallas and Lubbock Offices of the Federal Bureau of Investigation.

Anyone with information concerning price fixing or bid rigging in the glass industry should contact the Dallas Field Office of the Antitrust Division at (214) 880-9401, the Lubbock Office of the FBI at (806) 765-8571, or the Dallas Office of the FBI at (214) 720-2200.

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